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by

Gary H. Smith

A Discussion Paper Prepared for
Nutrition Economics Group
Technical Assistance Division
of International Cooperation and Development
United States Department Of Agriculture

United States Department of Agriculture
Office of International Cooperation and Development



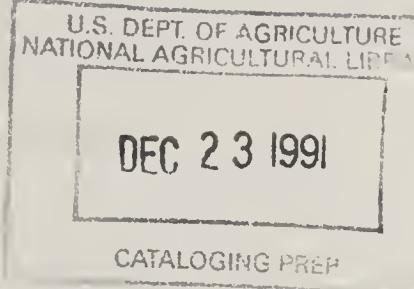
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CEAP STUDIES AND THE HOST COUNTRIES: WHAT NEXT?
INSTITUTIONALIZATION AND OTHER MATTERS

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CEAP STUDIES AND THE HOST COUNTRY: WHAT NEXT?

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Background

During the past three years a wide variety of policy impact studies have been undertaken by analysts with impressive academic credentials and professional skills. We have learned a great deal about how certain kinds of development policies can influence the demand for, and the consumption of food in a number of countries in Africa, Latin America, and the Caribbean. At the same time, these studies have proved to be fertile testing grounds for alternative methods of data collection, management and analysis. Our discussion during the Workshop will have touched upon most of these studies at some point or other during the first two days.

The complement of analysis is, of course, synthesis, "putting things back together" to see what the whole picture looks like and whether or not broad generalizations are possible. In large measure this has been the overall purpose of the Workshop, in particular the first two days' sessions.

Beyond the matters of substantive findings and alternative research methodologies lurk the pragmatic questions: What does the host country do with the results of its study? Who does it? How? When? Should it be done again? etc. and etc.

Most of these questions relate to the broader issue of institutionalization. Presumably any given host country will

want to decide whether or not the results of its own CEAP study fit within the priorities of its decision makers and, if so, how to use them. Much the same will be true of the local USAID mission. The question of what to do with the methods of analysis used in the study is a bit more complicated. On the one hand, methods are intrinsically interesting: quadratic Engel curves, simultaneous household production/utility maximizing models, complete, verifiable demand systems, linear programming are all methods which, in the right circumstances can yield reasonably accurate forecasts of the outcomes of certain policy measures. Similarly, methods of data collection--production, consumption; expenditure, anthropometric, Delphi--can be used to improve the quality of information needed by analysts. On the other hand, some methods yield more information than others, some are more expensive than others, some are more feasible than others given the physical and human resources available. If one purpose of CEAP studies is to help the host countries install their own capabilities to undertake similar studies in the future, then methods need to be scaled to the present capabilities. Among other things, this has led us to stress the importance of devising methods to maximize the yield of existing information, however limited and statistically doubtful. This simply recognizes the fact that many developing countries do not have the wherewithal to undertake comprehensive surveys, coding and punching of data, or data edits, even were sophisticated hardware available. If they want this kind of thing, we have to help them with it, and that costs money. We in the United States can afford to be "purists" in the matter of statistical reliability, but few developing countries can.

From a longer-term perspective, the AID Office of Nutrition and the USDA Nutrition Economics Group very much share AID's overall goal of helping countries to help themselves. For CEAP studies as for any other kind of socio-economic study a balance has to be struck among a number of competing variables, such as need for analytic and computational sophistication vs. the desire for them, the needs and desires of the analysts themselves (and, perhaps, their home institutions) vs. the needs and desires of both host country and USAID, the urgency of information needed now by decision makers vs. more accurate information generated later by more time-consuming methods.

Regardless of the degree of self-help decided upon by the host country decision makers and/or AID in any one country, there still remains the question of how best to organize the decision-making process itself to do CEAP and related kinds of studies in the future and to profit from their results. This unavoidably brings us to the messy matter of political and bureaucratic systems which bear heavily on prospects for successful analysis and development planning.

Most of these issues go beyond purely economic concerns, and for that reason, economists, statisticians, and other people who are fond of numbers tend to be nervous about them. For those of us who have spent long periods of time working with (or within) developing country governments, they are nevertheless very real. Political, cultural, and bureaucratic feasibility are very powerful litmus test; for recommendations flowing from any study, no matter how elegant and scientifically valid. The trouble is, we don't always know to apply the tests or even what the parameters

ought to be. But failure to address the problem has been, I submit, one of the reasons why so many development policies and programs fall short of expectations.

During this Workshop, we are fortunate to have with us, not only highly experienced social science professionals and AID officials, but distinguished representatives of countries in which CEAP studies have been undertaken. Their opinions and advice about how consumption/nutrition analysis might best be internalized in their countries and how these concerns could be integrated into the broader body of development strategies would be welcome.

Modus Operandi

The subject of institutionalization is broad, and our time is short. And, as indicated above, systematic analysis linking more traditional forms of economic analyses with the "softer" issues of politics or culture or the vagaries of bureaucratic systems are rare. In what follows, I have listed a series of issues and likely tradeoffs relating to potential uses of CEAP studies and follow-up activities, institutionalization of methods and skills, institutional coordination, and comparable matters. While I have my own ideas on these subjects, they are not fixed in concrete, and, together with my colleagues in the Nutrition Economics Group, I am anxious to learn from all of you. Thus, these issues are listed as stimuli to discussion and the exchange of views during the general morning session and during the individual small group sessions.

Who Should Undertake CEAP and Related Studies in the Future?

COMMENT: Once a CEAP study has been successfully completed in any given country and the results accepted by decision-makers, the question of possible follow-on activities arises. This, in turn, will depend on two things: the particular circumstances surrounding the original study and the availability of potential institutional "homes" for the necessary analytic skills and equipment. With respect to the latter issue:

- Where should consumption/food demand/nutrition analysis be done? Agricultural Ministry? Health Ministry? Planning Ministry/Council? A separate entity?
- What personnel should be used? Existing analysts? University people? Newly-trained analysts?
- What kinds of people are needed? Econometricians? Anthropologists/sociologists? Computer programmers? Survey and sample frame specialists? Administrative personnel?
- Should there be a "mix" of trained local people and foreign assistance personnel in the short term, and if so, how soon should the latter be phased out?
- What role can AID play? Where agriculture sector planning projects are underway, how might CEAP methods be incorporated substantively, methodologically, and administratively?
- How sophisticated should training for data managers and analysts be?

Some Trade-offs in Planning for Consumption/Nutrition Goals

COMMENT: In any one country, answers to the questions posed in the preceding section will partly depend on prior decisions about priorities among programs, projects, and target populations, the scope of the existing development programs relative to existing resources, and the pattern of longer-term goals set by decision makers. Some of the more obvious trade-offs, common to most developing countries, include the following:

- Specialized versus diversified agriculture?
- Small versus large scale farm units?
- Promotion of food security versus reliance upon foreign trade?
- Promotion of agricultural versus nonagricultural exports?
- Stimulation of agricultural incomes through price supports, input subsidies versus stimulation of urban real incomes through price ceilings, food subsidies, etc.? Both?
- Direct intervention such as food supplementation, nutrition education, price regulation, input subsidies versus indirect intervention through programs designed to modify the price/incomes structure of the system (changed technologies and yields, promotion of credit, cooperatives, etc.)?
- Small scale/subregional project focus versus sector-wide "integrated development" approach?
- Food aid (PL 480, for example) versus boosting domestic food producing capacity versus expansion of food-related trade?

Data Management and Analysis

COMMENT: Decisions about policy, staffing, training, and institutionalizing food/consumption analysis capability will establish the framework within which data managers and analysts will function. Simultaneously these decisions will affect--and be affected by--resolution of methodological trade-offs facing any planning/analysis unit. These include:

- Who controls the data-gathering machinery for agricultural production and rural consumption statistics? Ministry of Agriculture? Ministry of Health? Planning ministry/council? Separate Statistics office? Who should?
- Who controls data processing? Are computer software and hardware available capable of handling sophisticated multivariate analysis?
- How detailed should survey data be? Trade-off between highly detailed (but expensive and time-consuming) information versus relatively crude (but cheap and quick) data.
- How often should consumption/expenditure/nutrition surveys be done? Can they be "piggybacked" onto agricultural income/production surveys?
- How sophisticated does agriculture sector modelling have to be in order to include consumption variables adequately? Where's the trade-off between larger, multivariate models which include large numbers of food items over a wide geographic area versus smaller "partial" systems which focus on fewer (but most commonly consumed) foods within more restricted regions? Quantitative versus qualitative analyses?

Attracting the Attention of Decisionmakers

COMMENT: Even the best managed planning activities take place in a vacuum if those activities are not solving problems of high priority to decisionmakers or if the planning unit lacks credibility among those government officials "who matter." At the same time, developing country governments are deafened by bureaucratic "noise" as agencies compete for influence and prestige: Finally, individual agencies often become very feudal in their management of information of potential use to other agencies. If we are concerned about promoting consumption/nutrition concerns under these conditions, "attracting attention" should be a major objective of institutionalization efforts.

How best to do this in individual countries? Some options:

- Centralize planning in one blanket agency with authority over other ministries
- Decentralize planning among sector ministries, but with a coordinating body (at top levels? at working levels? what?)
- Pilot surveys and studies to demonstrate utility of including nutrition concerns in planning or the utility of various forms of consumption/expenditure surveys
- Multi-agency and multi-national workshops such as this one.
- Training seminars designed for nontechnical decisionmakers in key roles
- Overseas training in U. S. or other countries for economists, survey enumerators, statisticians, etc.
- Long term follow-on activities with US collaboration gradually phased-out

We Need Your Advice

COMMENT: These pages have been devoted to suggesting some issues and trade-offs relating to how the results and methods developed by CEAP studies might be established on a permanent footing in developing countries. Each country has different problems, of course, and political/administrative/bureaucratic environments vary. But in my wanderings overseas, I've sensed that similarities tend to outweigh differences ultimately. I think that participants in a workshop such as this probably have a lot in common and can share perceptions and solutions. Therefore, in our discussion this morning, I hope that you, the participants, will do most of the talking.

--How do you think CEAP methods might best be installed?

--Where do you feel that consumption/nutrition/food demand matters ought to rest in a country's development strategies?

--What difficulties have you observed in development planning at various stages--data gathering, data processing, analysis, coordination among agencies, project design, project implementation, evaluation of results?

--How can potential users of CEAP-related information be convinced of the utility of methods for assessing policy impacts on food consumption?

--How can foreign assistance and international trade policies be used to advantage to influence food consumption

--Are consumption/nutrition goals and/or evaluation criteria incorporated into the development strategy of your country?

If so, how? If not, why not?

--What can we do to help?

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